

## Istook Votes to Cut Taxes, Create More Jobs

Washington, DC -- Today, Congressman Ernest Istook (R-OK) voted to support H.R. 2, the Jobs and Growth Tax Reconciliation Act of 2003. The legislation passed the House, 222-203.

**“The best way to stimulate the economy is to put money back in the hands of the people who earned it,”** said Istook. **“This bill will give immediate tax relief to small businesses and hard-working families.”**

**“Just before the vote, I spoke with an Oklahoma City small businessman whose business was leveled by last night’s tornado. He told me he hopes we pass the tax bill: It will give him accelerated depreciation and expensing, so he can rebuild quicker and put his employees back to work.”**

The bill is estimated to create almost 10,000 new jobs in Oklahoma next year and over 33,000 new jobs during the next five years. Nationally, the bill will pump \$200 billion into the economy and create 1.2 million new jobs by the end of 2004.

For individuals and families, the bill accelerates the several provisions of the 2001 tax cut including increasing the child tax credit, the expansion of the 10% income tax bracket, increasing the AMT exemption, and accelerating the phase-out of the marriage penalty and the cutting of individual income tax rates.

Below are some of the provisions of the bill:

### **Acceleration of 2001 Bush Tax Cuts:**

- ***Child credit*** – Increases child credit to \$1,000 for 2003, 2004, and 2005.
- ***10% bracket*** – Accelerates the expansion of the 10 percent bracket for 2003, 2004, and 2005.
- ***Marriage penalty relief*** – Accelerates the expansion of the 15 percent bracket and the increase in the standard deduction for married persons filing joint returns for 2003, 2004, and 2005.
- ***Individual rate cuts*** – Accelerates the 2006 individual rate cut schedule to 2003. (Rates reduced from 28% to 25%; 31% to 28%; 36% to 33% and 39.6% to 35%.)
- ***Increase individual AMT exemption amount*** – Increases the AMT exemption amount by \$7,500 for single persons and \$15,000 for joint filers for 2003, 2004 and 2005.

### **Business and investment incentives**

- ***Bonus depreciation*** – Increases bonus depreciation from 30 percent to 50 percent and extends through December 31, 2005.
- ***Small business expensing*** – For 2003 through 2007, increases the amount small businesses can expense (immediately deduct) from \$25,000 to \$100,000. Increases definition of small business from \$200,000 of capital purchases to \$400,000. Provisions are indexed for inflation.
- ***Net operating loss carryback*** – Extend the 5-year net operating loss carryback for three years (2003 through 2005) and holds taxpayers harmless for AMT.

### **Dividends and capital gains**

- ***Dividend and capital gain tax rate reduction*** – Reduces the tax rate on dividends and capital gains to 5 percent for taxpayers in the lowest tax brackets and to 15 percent for all other taxpayers.